

**MINUTES OF MEETING
LEXINGTON OAKS
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Lexington Oaks Community Development District was held on Thursday, October 12, 2006 at 6:30 p.m. at the Lexington Oaks Clubhouse, 26304 Lexington Oaks Boulevard, Wesley Chapel, Florida.

Present and constituting a quorum were:

Peter Hanzel	Chairman
Don Peters	Vice Chairman
Patricia Dwyer	Assistant Secretary
Maxine Carlson	Assistant Secretary

Also present were:

Andy Mendenhall	District Manager
Tracy Robin	Attorney
Shawn Millard	Site/Community Center Manager
Approximately 40 Residents	

The following is a summary of the minutes and actions taken at the October 12, 2006 Lexington Oaks Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hanzel called the meeting to order and called the roll.

The Pledge of Allegiance was recited.

SECOND ORDER OF BUSINESS

Public Hearing to Consider the Imposition of Special Assessments

Mr. Hanzel opened the public hearing to consider the adoption of a non-ad valorem assessment roll. He thanked the residents for attending and announced all comments were limited to three minutes only on items referenced in the letter.

Mr. Robin gave the following presentation:

- The purpose of the public hearing is to amend the capital projects list to include new projects and for the Board to decide whether or not to include the new projects in the residents assessments.
- Explained the purpose and responsibilities of the CDD and the Board.
- Discussed the following three bond issues:

- Phase 1 Bonds totaling \$13,725,000 including A and B bonds.
- Phase 2 Bonds totaling \$8,100,000
- Phase 3 Bonds totaling \$130,000
- The A bonds or long term bonds are specifically for annual tax levies. The debt for these bonds is assigned to each property in the District based on property size. This is what the outstanding debt is based on.
- The B bonds or short term bonds matured in May of 2006 and were paid for by the developer before the lots were sold.
- The bonds were issued on a phase by phase basis.
- Pulte placed the A and B bond money in one pool for each phase.
- The District Engineer determined which bond series funded each improvement and submitted requisitions to the Trustee.
- There is currently a surplus in the bond funds due to inaccuracies in the cost estimates received by Pulte.
- This is a unique situation and one providing a unique and unusual opportunity for the community.
- The largest amount of surplus is in the 2000 bonds.
- Pulte agreed to allow the District to use the funds for capital projects, if they qualified under the statute.
- The residents expressed their dismay in emails regarding redemption of the bonds not being addressed in the letter. Mr. Robin explained it was complicated to explain the redemption in the letter and at this point in time, none of the District's advisors felt it was in the best interest of the District to do so as it would get Pulte's attention.
- Mr. Robin was concerned Pulte will say they are entitled to 60% of the surplus because they overpaid their bonds if the District is not going to use those funds to build out additional infrastructure.
- There is a limitation on the District's ability to use surplus funds. According to the statute and the bond documents, the money can only be used to build communitywide infrastructure.
- The District cannot use surplus funds for general operations, maintenance of existence facilities needing repairs or to build reserves.

- The engineer was engaged to provide cost estimates on the list of suggested capital projects and amend the Engineer's Report to include these projects.
- In order for the Board to undertake the capital projects, the 170 process had to be followed to add the new capital improvement list to the original list the bonds were floated for.
- The District has sufficient surplus funds in the bond construction account to construct the 2006 projects listed on the Engineer's Report.
- There are no additional assessments as the existing assessments and the bond debt presently in existence is sufficient to pay for the construction of these projects.
- The District does not have funding to go beyond the pool of funds in the surplus.

Mr. Robin gave a presentation on the CDD process and what the residents have control over the surplus funds being used for.

The following questions and concerns were addressed by the residents:

- Ms. Joanne Showalter from 26330 Sword Dancer Drive commented on the cost of dues.
- Ms. Christie House from 5129 Silver Charm Terrace inquired whether the District has anything in writing from Pulte stating the District can use the surplus funds.
- Ms. Jolee Fallis from 5837 War Admiral Drive and Ms. Debbie Pienkowski from 5645 Spectacular Bid Drive inquired whether the clubhouse could have a kitchen. Ms. Pienkowski further inquired about who pays to maintain the buildings.
- Mr. Jim Federico from 5527 War Admiral Drive agreed with the need for a kitchen and his opposition over the skateboard park. He inquired whether the improvement list is approved and added to the bonds.
- Mr. Hanzel confirmed this is a multi-phase process and the Board took action to accept the revised Engineer's Report with the new projects. The projects subject to the assessments will be amended to include the new projects.
- Ms. Mary Smith from 5202 Spectacular Bid Drive thanked the Board members for their service to the residents and inquired whether the capital improvement list is up for debate. She further pointed out the numbers in the letter do not match Mr. Robin's document.

- Ms. Gail Glatfetter from 26441 Whirlaway Terrace pointed out issues with the skate park and suggested the money for the skate park be used more wisely.
- Mr. JC Mulé from 25741 Unbridled Court requested the Board consider the long term effects and costs of the new projects and determine whether the projects serve the needs of as many of the residents as possible.
- Mr. Eston Mansfield from 5338 War Admiral Drive pointed out the dues could be affected by liability insurance for the skateboard park.
- Ms. Beth Eisman from 25323 Lexington Oaks Boulevard inquired why no one went to Pulte to find out if they were willing to waive their rights to the surplus money.
- Ms. Sheila Matejka from 5512 Spectacular Bid Drive inquired whether there would be an increase in insurance fees, electricity and irrigation.
- Mr. James Barbour from 5139 Gato Del Sol Circle requested the Board consider the smaller streets for maintenance and addressed liability concerns for the skateboard park.
- Ms. Cheryl Ring from 25415 Aptitude Terrace inquired what percent of the surplus funds are set aside against the bonds and expressed her opposition to the skateboard park.
- Ms. Milly Edmister from 5554 Cannonade Drive inquired whether a rate of inflation was built in for the rising cost of construction and suggested hiring three additional people. She expressed her opposition to the skateboard park due to the liability and requested a schematic.
- Mr. Tim Price from 5052 Decidely Court inquired why Pulte was not approached before the public hearing and pointed out Pulte keeps half of the interest and the community would be able to keep \$850,000 using its own bank account. He further pointed out three skateboard parks his family constructed through their company were closed due to lost litigation cases.
- Mr. Barman Santosa from 5843 War Admiral Drive inquired whether the residents have a choice in the building of the skateboard park.
- Mr. Louis Trotter from 5310 Algerine Place inquired whether or not there will be monitoring for the security cameras and if so, where, the purpose of the security cameras and who will be monitoring them.

- Mr. Jack Padgett from 5311 War Admiral Drive inquired what will happen if Pulte comes back and whether the \$800,000 could be returned to them. He further inquired whether the waiver from Pulte could be used to decrease assessments.
- Mr. Pete Rygiel from 5234 Silver Charm Terrace inquired whether the surplus could be used to pay off the bonds.
- Mr. John Saari from 5808 Riva Ridge Drive inquired what the Board's goals were and suggested there be a priority list on existing improvements before adding new improvements. He agreed with the Board purchasing liability insurance for the skateboard park and recommended a solar pool heater, purchasing additional green space and widening the sidewalks. He was against having a gated community.
- Ms. Mary Jo Debolt from 5406 Riva Road Drive inquired whether there was an order of occurrence of capital improvements.
- Mr. Sam Cavallaro from 26614 Sea Hero Circle requested the Board table the resolution and go back to Pulte to explore the avenue of whether the District can repay the bonds. He further requested a questionnaire be sent to all residents listing the capital projects and the costs involved.
- Mr. Bob Hendrick from 5114 Gato Del Sol Circle inquired what consideration the District has given for the increase for O&M costs.
- Mr. John Roth from 5909 War Admiral Drive inquired whether professionals have been called for the expansion of the golf club and pool heating and what is involved for maintenance purposes and liability. He further suggested constructing a golf cart path.
- Mr. Charlie Daysh from 5118 Gallant Fox Court objected to the skateboard park and inquired why there was a request for landscaping at the entrance.

Mr. Robin addressed the following:

- Funds cannot be used to reduce the O&M assessments. They have to be used for construction of new projects or capital projects.
- Pulte is on record with an offer of proposal for the District to use the surplus funds; however, the District should obtain confirmation as a matter of course. The Board needs to decide whether or not to undertake new projects.
- The facilities proposed to be constructed will require operation and maintenance.

- The capital improvement list is not final and can be revisited by the Board at any time.
- He suggested the Board take input from the community in the form of a survey.
- The Board understands there is controversy on the skateboard park.
- The purpose of the public hearing is for the Board to identify parameters on whether or not to undertake new capital projects.
- There is a statute to exempt operators of a skateboard park from liability. The District as a government has sovereign immunity and is exempt from claims above \$200,000.
- In regards to the discrepancies in the letter and the document Mr. Robin presented, Mr. Robin will provide the Board with an explanation on why the discrepancy exists.
- In regards to why Pulte was not contacted about waiving the claim to the funds, Pulte indicated on previous occasions they have no objection. The Board considered the input from the community for the last couple of years in regards to the capital improvement list.
- The reduction in the annual assessment for Phase I owners, if \$118,000 was used to redeem bonds, without any consideration from Pulte is \$30 a year for the 50' lots and \$40 a year for the 70' lots. For Phase II, there will be a reduction of \$300 a year for the 50' lots and \$450 a year for the 70' lots. For Phase III, there will be a reduction of \$60 a year for the 50' lots and \$80 a year for the 70' lots.
- In regards to whether or not the items in the Engineer's Report are improvements eligible for funding by the surplus, they are eligible as they are not O&M expenses but new capital improvements that are for enhancement purposes or do not exist today.
- The Board will ultimately make the decision but will take into consideration the opinions of the residents.
- Mr. Peters felt the numbers were conservative and was appreciative of the input from the residents who brought up excellent points.
- Ms. Carlson expressed concern about the skateboard park.
- Ms. Dwyer thanked the residents for attending the meeting and pointed out how difficult this decision has been for the Board. Countless hours were spent with the

engineer trying to figure out how much projects are going to cost. One task is to prioritize the projects. After the money is used up, no other projects will be completed as the Board would never put the District in debt over something not covered by a capital improvement fund.

- Mr. Hanzel pointed out this process was started last September when Pulte representatives were on the Board when they were told to come up with a list and to spend the money quickly. However, the process was stopped because the engineer quit and a new engineer needed to be hired. They knew the money was there and they want to see it used. Input from the residents was taken from the survey and emails. Some residents will be happy and others will not.

D. Adoption of Resolution 2007-1

Mr. Robin read the following title of Resolution 2007-1 into the record:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LEXINGTON OAKS COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE CONSTRUCTION OF CERTAIN CAPITAL IMPROVEMENT PROJECTS KNOWN AS THE 2006 PROJECTS; EQUALIZING, APPROVING, CONFIRMING, RATIFYING AND RELIEVING THE EXISTING SPECIAL ASSESSMENTS ON THE PROPERTY SPECIALLY BENEFITTED BY SUCH IMPROVEMENTS TO PAY FOR THE COST THEREOF; PROVIDING A METHOD FOR ALLOCATING THE TOTAL ASSESSMENTS AMONG THE BENEFITTED PARCELS WITHIN THE DISTRICT; PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE”

Ms. Carlson moved to adopt Resolution 2007-1 as stated above.

- Mr. Peters confirmed the assessments are not finalized.
- Mr. Robin pointed out if there were new capital improvements completely outside the scope, the District will have to go through a similar process but the projects identified can be modified.

On VOICE VOTE with all in favor the adoption of Resolution 2007-1 was amended to reflect the adoption subject to Pulte’s confirmation of the offer.

THIRD ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Dwyer seconded by Ms. Carlson with all in favor the meeting was adjourned.

Andy Mendenhall
Assistant Secretary

Peter Hanzel
Chairman